

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 662 – HB 1139**

March 10, 2009

**SUMMARY OF BILL:** Adds additional regulations on adult-oriented businesses and creates a permitting system for employees of adult-oriented businesses.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – Exceeds \$100,000**

**Increase Local Expenditures – Exceeds \$100,000\***

Assumptions:

- Local governments are authorized to charge a permit fee in an amount determined by the Adult-Oriented Establishment Board or Beer Board or Massage Registration Board authorized to act as the Adult-Oriented Establishment Board. The number of employees and entertainers who would be licensed is unknown, but is estimated to be at least 2,000. Assuming the permit fee is at least \$50, local revenue will increase in an amount exceeding \$100,000.
- The start-up cost to local governments for establishing an employee and entertainer permit regulation system is estimated to be \$10,000 per local government. The Municipal Technical Advisory Service (MTAS) estimates that the start-up costs would be \$5,000. Davidson County estimates its annual licensing cost at \$15,000.
- The number of local governments that have adult-oriented businesses operating in their boundaries is unknown, but is estimated to be at least 10. Davidson County currently licenses entertainers. Local expenditures are estimated to increase in an amount exceeding \$100,000 for the cost of establishing a permit program.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kmc